

complaint

Mr W complains that Casheuronet UK LLC trading as Quick Quid didn't properly consider his financial circumstances and lent him money that he couldn't afford to pay back.

background

Mr W explains that he took out a number of payday loans with Quick Quid. He says that he was in financial difficulty and reliant on payday lending. He says that he had a number of missed payments on his credit file and loans with other payday lenders. He said further checks would have shown that he shouldn't have been given the loan.

Our adjudicator didn't recommend that the complaint should be upheld. He looked very carefully at all of the paperwork and considered that Quick Quid had asked for enough information and relied on what Mr W told it about his financial commitments. A credit check had been carried out for the loans. He thought that because Mr W had repaid his loans on time and had never mentioned that he was in financial difficulty Quick Quid hadn't done anything wrong. Mr W didn't agree and said in summary that Quick Quid hadn't acted responsibly because the amount of loans he had taken out showed he was struggling.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the conclusions of the adjudicator for broadly the same reasons.

I have reviewed all of the paperwork that was completed by Mr W. I can see that his first loan was in October 2012 for £200. Mr W declared that his income was £995. This loan was repaid in full and on time in November 2012. 5 days later Mr W asked for another loan of £150 and this was repaid in full and on time. 10 days later on the 24 December 2012, Mr W asked for £150 and a top up loan of £125 on the 31 December 2012. This was repaid in full and on time. There is nothing to suggest that Mr W was struggling to meet his repayments.

Mr W didn't ask for another loan from Quick Quid until 2 February 2015 when he borrowed £50. Mr W said that his income was £1960 and his outgoings were £375. Mr W asked for a number of loans between February and June. All were repaid in full and on time except for the final loan because Mr W told Quick Quid he was out of work.

By the time of the final loan Mr W had a perfect repayment history. Quick Quid carried out income and expenditure checks for each loan and Mr W never once mentioned that he was in financial difficulty or that his circumstances had changed.

The number of loans taken out by Mr W might suggest that he was having difficulty meeting his monthly commitments without relying on credit. But Quick Quid asked Mr W about his outgoings and his credit commitments. The information provided didn't suggest that Mr W would be unable to afford his repayments. Mr W said that he was overdrawn and was relying on payday lending so possibly he didn't give the correct figures in his income and expenditure statement but he did complete them. I can understand why he might have done this but I don't think that Quick Quid has acted incorrectly or unfairly by deciding to lend to Mr W on the basis of the information he had given them especially taking into account his repayment history, income and expenditure and his credit check.

There is no requirement for Quick Quid to carry out a credit check for each loan or ask for bank statements but I would expect it to carry out some affordability checks. Looking at the paperwork, Quick Quid did assess whether the lending was affordable and there was nothing in Mr W's circumstances that would suggest that he wouldn't be able to pay the money back. Mr W did pay back all the loans except the last one and he didn't ever tell Quick Quid that he was having problems paying his debts. I think it would have been reasonable for Mr W to tell Quick Quid about these things and include them in his expenditure.

I can see that when Mr W explained he was in difficulty Quick Quid agreed an arrangement to pay. Mr W has had the benefit of the money and so overall, I can't say that Quick Quid took advantage of Mr W and lent him money he couldn't afford to pay back.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 April 2016.

Emma Boothroyd
ombudsman